

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

August 28, 2006

Robert L. Engleman 3601 Mt. Pleasant Rd. Kelso, Washington 98626

Subject: Reclamation Surety Required, Highland Mining Inc., Highland 4 Mine,

S/027/109, Task ID# 1390, Millard County, Utah

Dear Mr. Engleman:

The Division finds your Notice of Intention to Conduct Small Mining for the Highland #4 complete, however prior to conducting Small Mine activities the Division must approve the reclamation surety. The reclamation surety was determined to be \$18,600 for the 5 acre project. Depending on the concurrence of the BLM, this amount may go up or down once the BLM reviews the plan.

The Division was notified by State History that no cultural resources surveys have been completed in this area and recommend a survey since there is potential for affecting cultural resources. The BLM may have additional site specific cultural resource information.

Please submit the reclamation surety and Reclamation Contract within the next 30 days. No mining related disturbance can be created until the surety is received and approved, and you have received written acceptance from this office as well as other applicable agencies.

The reclamation surety can be submitted in one of several forms, including cash, an irrevocable letter of credit, a certificate of deposit, or a surety bond. When you determine which form of surety you will post, please contact Beth Ericksen at (801) 538-5318 or e-mail bethericksen@utah.gov.

Thank you for your cooperation to help finalize this permitting action. In reply, please refer to file number S/027/109.

Sincerely,

Susan M. White

Mining Program Coordinator Minerals Regulatory Program

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cc: BLM, Fillmore

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